

KAMDAR GROUP (M) BERHAD  
(Company No. 577740-A)  
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2006

	Individual Quarter		Cumulative Quarter	
	Current Year Fourth Quarter 31/12/06 RM'000 (Unaudited)	Preceding year Corresponding Quarter 31/12/05 RM'000 (Unaudited)	Current Year to date 31/12/06 RM'000 (Unaudited)	Preceding year Corresponding period 31/12/05 RM'000 (Audited)
Revenue	55,873	63,013	168,186	178,876
Cost of sales	<u>(34,052)</u>	<u>(37,322)</u>	<u>(108,061)</u>	<u>(112,761)</u>
Gross profit	21,821	25,691	60,125	66,115
Other income	325	559	991	1,423
Selling and distribution expenses	(1,234)	(1,080)	(4,141)	(3,436)
Administrative expenses	(9,987)	(9,990)	(37,222)	(36,820)
Other expenses	(1,316)	(1,620)	(4,199)	(3,909)
Finance costs	<u>(1,410)</u>	<u>(1,348)</u>	<u>(5,661)</u>	<u>(5,734)</u>
Profit before exceptional item	8,199	12,212	9,893	17,639
Exceptional item	-	(530)	-	(5,187)
Profit before tax	<u>8,199</u>	<u>11,682</u>	<u>9,893</u>	<u>12,452</u>
Taxation	(2,623)	(5,395)	(4,988)	(7,830)
Profit for the period	<u><u>5,576</u></u>	<u><u>6,287</u></u>	<u><u>4,905</u></u>	<u><u>4,622</u></u>
Attributable to:				
Equity holders of the parent	<u><u>5,576</u></u>	<u><u>6,287</u></u>	<u><u>4,905</u></u>	<u><u>4,622</u></u>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic earnings per share (sen)	4.43	4.99	3.89	3.68
Diluted earnings per share (sen)	2.88	3.11	2.75	2.56

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD  
(Company No. 577740-A)  
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 ST DECEMBER 2006

	AS AT END OF CURRENT QUARTER 31/12/2006 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2005 RM'000 (Audited)
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	172,471	165,306
DEFFERRED TAX ASSETS	1,576	1,981
GOODWILL	434	434
FIXED DEPOSITS WITH LICENSED BANKS	2,385	2,346
	<u>176,866</u>	<u>170,067</u>
<b>CURRENT ASSETS</b>		
Inventories	87,342	96,763
Trade receivables	8,505	8,462
Other receivables, deposits and prepayments	4,375	4,109
Taxation recoverable	3,098	1,936
Cash and bank balances	11,035	6,624
Total current assets	<u>114,355</u>	<u>117,894</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	6,437	7,768
Other payables & accruals	6,460	5,117
Dividend payable	-	-
Short term borrowings	42,481	38,061
Finance payables	369	252
Taxation	351	293
Bank overdrafts	136	2,474
Total current liabilities	<u>56,234</u>	<u>53,965</u>
NET CURRENT ASSETS	<u>58,121</u>	<u>63,929</u>
	<u>234,987</u>	<u>233,996</u>
<b>FINANCED BY:</b>		
SHARE CAPITAL	125,999	125,990
SHARE PREMIUM	110	110
CAPITAL RESERVES	824	824
RESERVE ON CONSOLIDATION	-	2,784
MERGER RESERVES	(176,580)	(176,580)
IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ICULS (EQUITY COMPONENT)	65,782	65,791
Retained Profits	121,766	118,613
TOTAL SHAREHOLDERS' EQUITY	<u>137,901</u>	<u>137,532</u>
<b>LONG TERM LIABILITIES</b>		
BOND	60,000	60,000
ICULS	3,892	5,464
Defered tax liabilities	3,650	3,650
Term loans	28,791	26,521
Finance payables	753	829
	<u>97,086</u>	<u>96,464</u>
	<u>234,987</u>	<u>233,996</u>
Net assets per share attributable to ordinary equity holder of the parent (sen)	109	109

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.



KAMDAR GROUP (M) BERHAD

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER  
(Company No. 577740-A)

	12 Months ended 31 Dec 2006 RM'000 <u>(Unaudited)</u>	12 Months ended 31 Dec 2005 RM'000 <u>(Audited)</u>
<b>1. Cashflows from operating activities</b>		
Profit before tax	9,893	12,452
Adjustments for:		
Bad debts written off		13
Depreciation	3,863	3,936
Gain on disposal of property, plant and equipment	(30)	(349)
Loss/(gain) on disposal of other investments in subsidiary	-	1,560
Interest expenses	5,661	5,664
Interest income	(81)	(179)
Property, plant and equipment written off	336	644
Operating profit before working capital changes	19,642	23,741
Inventories	9,421	(135)
Payables	(1,904)	(1,783)
Receivables	(310)	6,117
Cash generated from operations	26,849	27,940
Interest received	81	180
Interest paid	(4,709)	(7,200)
Tax paid	(5,687)	(7,390)
Tax refund		181
Net cash used in from operating activities	16,534	13,711
<b>2. Cashflows from investing activities</b>		
Deferred expenditure paid		3,114
Placement of fixed deposits	(40)	(2,346)
Proceed from disposal of property, plant and equipment	197	1,576
Purchase of property, plant and equipment	(11,483)	(14,026)
Net cash used in investing activities	(11,326)	(11,682)
<b>3. Cashflows from financing activities</b>		
Bankers' acceptances	(2,663)	(55)
Drawdown of term loans	9,919	8,200
Dividend paid	(4,536)	(2,669)
Repayment of finance payables	(347)	(188)
Repayment of term loans	(1,360)	(15,146)
Revolving credit	700	(700)
Trust receipts	(172)	(86)
Net cash generated from financing activities	1,541	(10,644)
<b>Cash and cash equivalents</b>		
Net changes	6,749	(8,615)
Brought forward	4,150	12,765
Carried forward	10,899	4,150
(A)		
<b>A . Cash and cash equivalents comprise of:</b>		
Fixed deposits with a licensed bank	1,500	
Cash and bank balances	9,535	6,624
Bank overdrafts	(136)	(2,474)
	10,899	4,150

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD (Company no: 577740-A)  
(Incorporated in Malaysia)

Quarterly Report On Results For The Fourth Quarter Ended 31 December 2006

NOTES TO INTERIM FINANCIAL REPORT

1. Accounting Policies and Method of Computation

The interim financial report of the Group is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005.

2. Changes in Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, 5, 101, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136, 138 and 140 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

(a) FRS 3: Business Combinations

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisition (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately in profit or loss. Prior to 1 January 2006, negative goodwill was carried at cost. In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 January 2006 of RM2,784,161 was derecognised with a corresponding increase in retained profits.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2005 was not qualified.

4. Seasonal or Cyclical Factors

The business of the Group is generally affected by the festive seasons.

5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2006.

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities except 9,000 ICULS were converted into ordinary shares in the Company on 6 December 2006.

8. Dividends Paid

Dividends paid on 28 July 2006 were approved by shareholders on 27 June 2006, in respect of the year ended 31 December 2005 being final dividend of 5% less 28% taxation, on 125,990,002 ordinary shares, amounting to RM4,535,640.

9. Segmental Information

No segment report is prepared as the principal activities of the Group are predominantly carried out in Malaysia and are engaged in a single business segment of retailing textile and textile based products within the retailing industry.

10. Carrying Amount of Revalued Assets

The group does not have any carrying amount of revalued assets.

11. Subsequent Events

There were no material events subsequent to the end of the current quarter.

12. Changes in the Composition of the Group

On 17 June 2006, the Company acquired 2 ordinary shares of RM1.00 each in the share capital of Kamdar (B) Sdn Bhd ("KBSB"), (Formerly known as Multirange Trading Sdn. Bhd) representing 100% equity interest in KBSB for a cash consideration of RM2.00. KBSB is a company incorporated in Malaysia which is engaged in business of investment holding.

The effect of the said acquisition on the Group's results, cash flow, assets and liabilities are not material as the subsidiary company is dormant.

### 13. Changes in Contingent Liabilities and Contingent Assets

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 31 December 2006:

	31 December 2006 (RM'000)
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	21,500
- Corporate guarantee given by the Company to licensed bank for acquisition of property at Melaka granted to Kamdar Stores Sdn Bhd	3,440
- Corporate guarantee given by the Company to licensed bank for acquisition of property at Jalan Tuanku Abdul Rahman granted to Kamdar Holdings Sdn Bhd	14,000
- Corporate guarantee given by the Company to licensed bank for fixed loan granted to Kamdar Holdings Sdn Bhd	2,000
- Corporate guarantee given by the Company to Licensed bank for credit facilities granted to Kamdar Sdn Bhd	10,200

### 14. Capital Commitments

Not applicable.

### 15. Performance Review

A.

	Individual Quarter 3 months ended 31 December 2006 RM'000 (Unaudited)	Cumulative Quarter 12 months ended 31 December 2006 RM'000 (Unaudited)
Revenue	55,873	168,186
Profit before taxation	8,199	9,893

The performances of the business are further elaborated in Section B below.

B.

The Group's revenue for the current financial period ended 31 Dec 2006 is RM168.186 million as compared to RM178.876 million in the prior financial period ended 31 Dec 2005, a decrease of 5.98%. The Group's profit before taxation has decreased from RM12.452 million for the prior financial period ended 31 Dec 2005 to RM9.893 million for the current financial period ended 31 Dec 2006, a decrease of 20.55% due to the reduction in turnover as a result of inventory clearance and lowering of selling prices of merchandise to offset the increase in petrol prices. Further, set up costs for new outlets in Kuantan and Kota Bharu as well as relocation of outlets in Melaka and Johor Bharu together with the upgrading of the outlet in Midvalley Megamall resulted in the increase in selling and distribution expenses, administrative expenses and other expenses such as loss by writing off of fixed assets.

16. Material changes in the quarterly results compared with immediate preceding quarter

For the current quarter ended 31 Dec 2006, the Group recorded revenues of approximately RM55.873 million as compared to approximately RM48.050 million in the preceding quarter ended 30 Sept 2006, an increase of RM7.823 million. The Group's profit before taxation for the current quarter ended 31 Dec 2006 was RM8.199 million as compared to a profit before tax of RM6.198 million in the preceding quarter ended 30 Sept 2006. This increase was due to the festive period and year end sales.

17. Commentary on Prospects

The retail sector continues to operate in a very challenging environment. Thus, the Group's future prospects would remain measured.

18. Profit Forecast

Not applicable.

19. Taxation

	Current Quarter 31 December 2006 RM'000	Current Year To Date 31 December 2006 RM'000
Current taxation - Malaysian - current year's provision	2,623	4,988

The effective tax rate for the Group for the current quarter and cumulative financial period ended 31 Dec 2006 were higher than the statutory tax rate mainly due to non availability of the Group tax relief in respect of losses suffered by certain companies.

20. Sale of Unquoted Investments and Properties

There were no sales of unquoted securities or properties for the financial period to date.

21. Marketable Securities

There were no disposals of quoted securities for the financial period to date.

22. Corporate Proposals

There were no corporate proposals announced and completed as at 31 December 2006.



### 23. Borrowings

As at 31 December 2006, the total borrowings of KGMB Group were as follows:

	As at 31/12/2006 RM000	As at 31/12/2005 RM000
Short term borrowings:		
Secured	21,457	22,568
Unsecured	21,529	18,219
	<hr/>	<hr/>
	42,986	40,787
	<hr/>	<hr/>
Long term borrowings:		
Secured	29,454	27,350
Unsecured	63,982	65,464
	<hr/>	<hr/>
	93,436	92,814
	<hr/>	<hr/>

The above borrowings are denominated in Ringgit Malaysia.

### 24. Off Balance Sheet Financial instruments

The Group does not have any off balance sheet financial instruments including foreign currency contracts nor has it entered into any during the current quarter and financial period-to-date.

### 25. Changes in Material Litigation

The Group was not engaged in any material litigation nor had there been any legal proceedings against the Group which would adversely affect the activities and performance of the Group or give rise to any contingent liabilities which would affect the position and business of the Group except for the following : -

- (i) the charge by Indah Water Consortium Sdn Bhd, of approximately RM0.8 million, of which accruals have been provided for in the financial statements for the financial period ended 30 September 2006.
- (j) the charge by Wind Hill Development and Construction Sdn Bhd, of approximately RM1.6 million.

### 26. Dividend

No interim or final dividend has been declared for the financial period ended 31 December 2006 (31 December 2006 : Nil).

## 27. Earnings Per Share

### (a) Basic

Basic earnings per share are calculated by dividing the profit after tax by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter 31 December 2006	Cumulative Quarter 31 December 2006
Profit after tax (RM'000)	5,576	4,905
Weighted average number of Ordinary shares in issue ('000)	125,992	125,991
Basic earnings per share (sen)	4.43	3.89

### (b) Diluted

For the purpose of calculating diluted earnings per share for the current and cumulative quarter, the net profit for the current and cumulative quarter and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Irredeemable Convertible Unsecured Loan Stocks ("ICULS").

	Individual Quarter 31 Dec 2006	Cumulative Quarter 31 Dec 2006
Profit after tax (RM'000)	5,576	4,905
After tax effect of interest on ICULS (RM'000)	166	546
Adjusted net profit (RM'000)	<u>7,921</u>	<u>5,451</u>
Weighted average number of ordinary shares in issue ('000)	125,992	125,991
Effect of dilution: ICULS ('000)	<u>72,000</u>	<u>72,000</u>
Adjusted weighted average number of ordinary shares in issue and issuable	<u>197,992</u>	<u>197,991</u>
Diluted earnings per share (sen)	<u>2.88</u>	<u>2.75</u>

## 28. Authorization of issue

The interim financial statements were authorized for release by the Board in accordance with a resolution of the Directors on 26 Feb 2007.

By order of the Board

Lim Seck Wah  
Company Secretary